GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:4057
ANSWERED ON:09.08.2002
CHANGES IN DUTY FREE REMISSION CERTIFICATE SCHEME
TARACHAND BHAGORA

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether ASSOCHAM has suggested some changes in the export incentive scheme of Duty Free Remission Certificate Scheme;

(b) if so, the details thereof;

(c) whether Duty Free Remission Certificate Scheme does not permit transferability of fuels, even though the export obligation is completed;

(d) if so, the reasons therefor; and

(e) the reaction of the Government towards the suggestions made by the ASSOCHAM?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY)

(a) to (d): ASSOCHAM has suggested that paragraph 4.9(c) of the Handbook of Procedure which stipulate that fuel shall only be allowed against an actual user licence and therefore, shall not be allowed for imports against DFRC, which is transferable in nature, should be deleted.

(e): The facility of duty free import of fuel under Advance Licensing scheme has been introduced in a very limited way to encourage manufacturer exporter to set up captive power plant to overcome the power shortage. It is not intended to be a power subsidy scheme and is available only for those opting under actual user advance licence because the regulatory mechanism of this scheme are sufficient to prevent any leakage/misuse.